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WESTERN EUROPE DIVISION
OFFICE OF RESEARCH AND REPORTS
CENTRAL INTELLIGENCE AGENCY

DIVISION WEEKLY

For week ending 28 November 1950

29 November 1950

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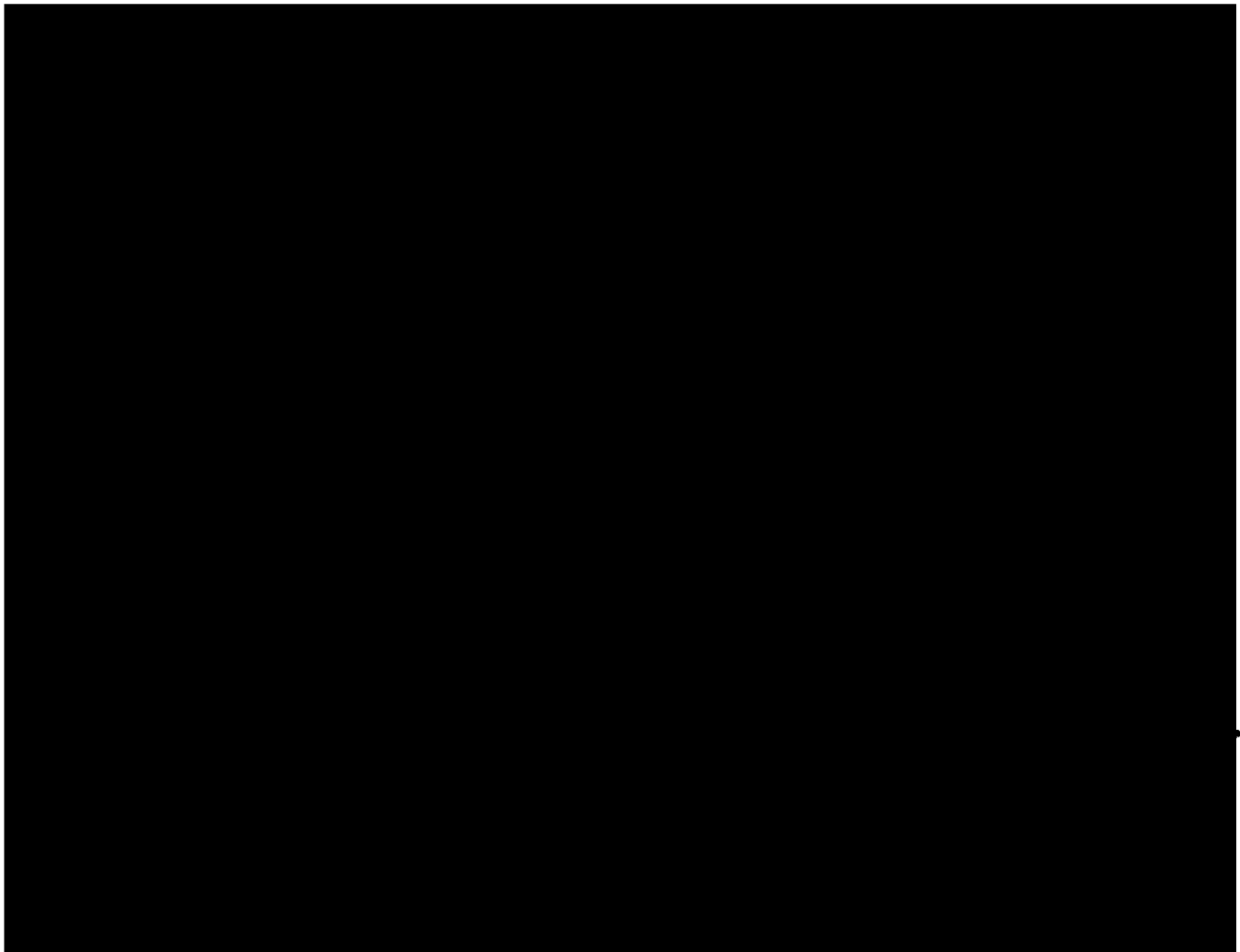
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WESTERN EUROPE DIVISION

WEEKLY SUMMARY

For week ending
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AUSTRIA

Despite the reverses suffered as a result of its attempted general strike in October, the Austrian Communist Party maintains its capabilities for exploiting labor unrest under given circumstances. The probability of severe winter unemployment, of continued deterioration of the purchasing power of wage earners, and the possibility of a winter food shortage, combined with the Government's inability to meet these problems decisively and effectively, may provide the Communist with another opportunity to take advantage of labor unrest. In addition, Socialist control over labor probably is not as strong as formerly, despite the Socialist victory in breaking the Communist-led October strike. The Socialist Party, as a member of the coalition Government with the conservative Peoples' Party, has had to support economic measures unpopular with labor, and has been unable to champion adequately labor's demands.

It probably will be at least a few months, however, before economic conditions will give the Communists an opportunity to foment labor unrest. Even though labor is dissatisfied with the wage-price relationship, the inadequacy of the latest wage-price agreement may have to be clearly demonstrated before labor agitation for another wage increase is renewed.

Communist trouble-making will also be hampered by the fact that during the past few weeks a large number of Communist officials have been dismissed from their posts in the Socialist dominated trade unions.

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FRANCE

In addition to the highly controversial 1951 budget, which must come before the French National Assembly in the near future, the Pleven Government also faces the problem of adjusting the differences among the coalition parties concerning the reform of the present electoral law. Because of increased pressure by the Radical Socialist for consideration of the electoral law, this issue is expected to be debated in the National Assembly early in December. The electoral and constitutional reforms anticipated are directed against the Communists, and would tend to strengthen middle-of-the-road Government.

At the present time, the National Assembly's Universal Suffrage Committee is considering the Government's own bill for electoral reform. Pleven has indicated that if passage is delayed by continued disagreements on the committee level, the Government might put forward a question of confidence in connection with this bill.

Giacobbi, the Radical Minister without Portfolio and drafter of the Government's electoral reform bill, and other members of his party, have indicated that they will resign from the Pleven coalition if electoral reform has not been voted by the end of the year. Continued vacillation by the Popular Republicans (MRP) on the acceptability of a majority electoral system would increase Pleven's difficulties and further weaken the Third Force in France.

A compromise electoral law, however, is likely to emerge before the end of the year.

FRENCH AND SPANISH NORTH AND WEST AFRICA

Tunisian nationalist resentment will continue to increase following Resident General Perillier's refusal to proceed with the implementation of provided reforms. The Neo-Destour Party, which has been losing in popular appeal by having accepted a cabinet post on the basis of the reform program, may soon be forced to withdraw from the cabinet in

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order to retain its role as the dominant nationalist group in Tunisia. The cabinet has three times submitted its resignation to the Bey, who in each case persuaded the Prime Minister to hold on a little longer.

The Resident General's decision to call a halt in the reform program has, however, pleased the French interests which became seriously alarmed when the program was announced last June. If the Resident General persists in catering to these reactionary French, he will embitter and disillusion the group of competent and educated natives who are seriously seeking some positive steps toward self-government. These men might then be led to consider accepting the aid proffered by the Communists.

ITALY

The removal of Foreign Minister Sforza, which is being mentioned in connection with possible changes in the Italian Cabinet, would have repercussions adverse to the interests of the Italian and US governments.

It is true that in Italy the Foreign Minister has relatively few friends and little following. Especially the nationalists, of any one of several rightist parties or of no party at all, hold Sforza responsible for the inability of Italy to obtain more favorable treatment on international issues: the former Italian colonies, Trieste, and military and economic relations with the West, to name the outstanding ones. The Communists (and the fellow-traveling Socialist PSI) have found it to their advantage to support these attacks on Sforza. Despite the fact that Sforza has apparently enjoyed the full confidence of Christian Democratic Premier De Gasperi, some important members of the "left-wing" of the Premier's party have participated in a sustained anti-Sforza campaign. There is good reason to believe, though, that this opposition is centered almost entirely around the Christian Democrat President of the Chamber, Giovanni Gronchi, who in his daily La Liberta seeks to embarrass the government of De Gasperi on almost any issue.

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Replacement of the Foreign Minister, therefore, would certainly not silence the Communists, and probably not the editors of La Liberta either, in their sharp attacks on Government foreign policy. As for the nationalists, the chief opponents of Sforza, they would consider his removal an endorsement of their criticism and an augury of better protection of "national interests". These exaggerated expectations, based on a false concept of Italy's international stature and contribution, would certainly go unfulfilled. Nationalist resentment of the Government would then be even sharper than at present, and, if the new Foreign Minister were a Christian Democrat, the Nationalists would be hostile to his party also. The neo-Fascist Italian Social Movement would at the same time, be in a position to exploit the situation. Although Sforza is not an active member of the Republican Party, his replacement by a Christian Democrat could be considered a slight to the Republicans, who have worked devotedly in the coalition Government. Such an interpretation would be encouraged by the rumors, which are already chronic, that the other Republican member of the Cabinet, Defense Minister Pacciardi, is to be replaced by a Christian Democrat.

Besides the deleterious effects on Italian political life, the removal of Sforza would deprive Italy of a highly qualified and experienced statesman who has displayed courageous initiative in the promotion of inter-European and international cooperation.

SPAIN

The recent visit to Madrid of Jose Maria Gil Robles, Catholic conservative political adviser to the Spanish Pretender Don Juan, though apparently limited to private affairs, has inspired new rumors that Franco will soon reinstate the monarchy and restore some civil liberties. Franco, however, will be deterred by extreme personal reluctance as well as the dictates of caution from making any fundamental changes in his Government, unless the Army generals put him under pressure to do so. The national economic situation continues to be desperate, and the attempt of the Government to relieve it by permitting a strong inflationary trend to develop seems to be spreading alarm rather than stimulating optimism. Meanwhile, most government officials, bankers, and industrialists realize that the US loan, even were the full amount of \$62,500,000 available soon, would afford no general or decisive relief. Such circumstances ordinarily would

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be likely to force a political change, but the Franco opposition has not been able to close ranks. The Monarchists in particular are split, and though the Socialist and labor groups could unite, they have not been able to devise a positive, dynamic political concept or develop a leader capable of attracting opponents of the regime. As long as Franco is able to maintain strict press and radio censorship and prohibit group discussions, this political stalemate may continue to operate in his favor. His power will, nevertheless, be continually threatened by the grave economic problems for which no solution and little relief are in sight.

The expulsion of 40 old guard Falangists from the party serves as a further indication of the ever-narrowing base of Franco's political support and of his inability to take any positive steps to alter the existing internal political and economic situation. The expulsion of the forty, and their exclusion last week from the annual memorial services for Jose Antonio Primo de Rivera, reflects the progressive debilitation, under pressure from the Church and the land and financial oligarchy, of the Falange as an effective political movement, and its relegation to the role of a social welfare and labor control organization. The old guard had insisted without success that the revolutionary doctrines of the party be carried through. Previously Franco had attempted to placate these reformers, but he now apparently regards their support as no longer necessary. The regime therefore rests on its ability to maintain the status quo and on the acquiescence of those forces whose principal interest is maintenance of the status quo, i.e. the Army, the Church, and the land and financial oligarchy.

PORTUGAL

The Portuguese police probably will be able to prevent the nation-wide strike which the Portuguese Communist Party (PCP) is reported to have planned. It is probable that the PCP has made these plans primarily to advertise itself to the Cominform as an effective, well-organized political force. It is most unlikely that the Portuguese Communists could materially damage the economy of the nation. The PCP (estimated to have about 5,000 card-carrying members) has been relatively inactive, and has been suffering from a lack of effective leadership since the arrest of its leader, Alvaro Cunhal, in March 1949. The police, however, have not discounted the possibility that the PCP is sufficiently well-organized to stage a strike, and is keeping party members and their activities under close surveillance.

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